

1 MR. A.J. BENNAZAR: What's the difference between as
2 an individual and as a Head of the Department? He's
3 providing every document through Counsel that he has
4 reasonable access to.

5 MR. CAMILO SALAS: Is that what you produced? I'm
6 going to take this out to the Court.

7 MR. A.J. BENNAZAR: "Sí, seguro que sí, m'ijo."

8 BY MR. CAMILO SALAS:

9 Q Doctor Rey, in the Notice for your deposition we
10 have requested a number of documents. And here's the Notice
11 of Deposition, let me show it to you, without a document
12 attached to it which is Exhibit A. Have you seen that
13 document prior to now?

14 A No, I have not.

15 Q Who is supposed to be looking for the documents to
16 respond to the...?

17 A Attorney Bennazar is the person doing this.

18 Q Is Attorney Bennazar supposed to search your files
19 to see what is in your files that needs, the documents
20 requested there?

21 MR. A.J. BENNAZAR: Excuse me, Brother Counsel, I'm
22 going to simplify this for you, okay. We have produced, and
23 may the record reflect, the contracts between the Department

1 of Education and DRC having to do with the Department.

2 We have produced on "C", the work performed by Data
3 Research. This is all of the Adonay documents for the minutes
4 of the work sheets. Directives and Orders or memorandums
5 issued by the Government of Puerto Rico or Cesar Miranda, he
6 already interrogated the witness and... If there is anything
7 to be produced, nothing else will come.

8 MR. CAMILO SALAS: What about here today?

9 MR. A.J. BENNAZAR: All FCC forms have been produced
10 to you, each and every one of them in a disc. All responses
11 of the Department of Education to USAC, you have them. The
12 preliminary and final reports of the beneficiary view
13 conducted by Arthur Andersen, you have whatever we have.

14 We don't have the entire reports from that. All
15 correspondence and material submitted by the DOE in response
16 to the letter dated December 5, you have it. All
17 correspondence between DOE and USAC, you have it. All
18 correspondence between DOE and FCC, you have it.

19 The only thing that you don't have is that
20 yesterday you read what appears to be a printout from and
21 Internet News Release on a Press conference given by the
22 Governor of Puerto Rico where she says "I have ordered this,
23 I have ordered that", and you have extrapolated the existence

1 of specific documents that you insist to be produced to you.

2 The Secretary has twice, first yesterday, and then
3 today. If there is an Executive Order on the topic, as if it
4 is found, and he has instructed his secretary to look for it,
5 it shall be gladly produced. We are not objecting to
6 producing anything that may be remotely pertinent to the
7 controversies of the case.

8 Prior to the deposition of the Secretary, we have
9 produced anything and everything that reasonably comports to
10 the list that you have submitted to us from day one.

11 Not only that, your subpoena requests that it be
12 brought at the deposition, but as you are aware, as we have
13 been coming across the documents and gathering them, we have
14 been submitting them to you. We did not wait until yesterday
15 afternoon to do that.

16 MR. CAMILO SALAS: Did you search the records to try
17 to find the directives and or memorandums issued by Governor
18 of Puerto Rico and or Cesar Rey Hernandez, and or Cesar
19 Hernandez for the purposes of canceling the contracts with
20 DRC? Do you? Look for that---

21 MR. A.J. BENNAZAR: I asked the secretary of the
22 Secretary "Do you have any directives from Governor
23 Calderon/Cesar Miranda instructing the cancellation of DRC?".

1 And she said "no, no such a document exists".

2 MR. CAMILO SALAS: That's not what he said, that's
3 not what he said. He said in the record that the doesn't
4 know, that if they exist they are in the files somewhere.
5 And that his secretary is going to look for them and that by
6 tomorrow he'll know whether they exist---

7 MR. A.J. BENNAZAR: "¿Que si existen Ordenes
8 Ejecutivas de la Gobernadora?". You are mixing two things
9 here. You are asking in your document for memoranda.
10 Yesterday you were talking about Executive Orders, we have
11 today heard for the second time, the Secretary tell you "if
12 there is a file with Executive Orders on the topics, and if
13 such an Executive Order exists and it is printed and it was
14 received here, you shall have a copy".

15 You are asking for memoranda. We do not have
16 memoranda from Cesar Miranda or the Governor instructing
17 Doctor Rey to cancel the DRC contracts. You may ask him
18 directly if he recalls receiving any. I think you did
19 already yesterday. You can do it again. There is no such
20 memoranda.

21 Yesterday you were referring to Executive Orders,
22 two different things, Counsel.

23 MR. CAMILO SALAS: Well, I don't want to play games

1 with words or anything like that. Since we don't know the
2 specific names of the technical names of these orders, we
3 have requested all directives and all orders and or
4 memorandums to try to be all in consequence. Whether the
5 Order it's called an Executive Order or a regular order, or
6 any other kind of order, or any kind of directive, whether it
7 comes in memorandum, in a piece of a sheet of paper, written
8 by hand, or any other way, and or any other memorandums, any
9 kind of writings in any way instructing anybody to cancel the
10 Contract. That's what we've asked for. And I think that we
11 are trying to be as clear as we can.

12 MR. A.J. BENNAZAR: And I told you, I have not found
13 any---

14 MR. CAMILO SALAS: Well, you look.

15 MR. A.J. BENNAZAR: ---any memoranda.

16 MR. CAMILO SALAS: Have you looked?

17 MR. A.J. BENNAZAR: "Pues seguro que sí, Camilo,
18 bendito sea Dios." How do you think I produced all the other
19 thousands of documents that I've given to you, by not
20 looking?

21 MR. CAMILO SALAS: If you are saying that you have
22 conducted a search of this department's file, let's try to
23 find this documents that you have made the search of,

1 designated person, designated by Dr. Rey, then that's what
2 you are stating on the record. That's what, we live with
3 that and we take the consequences with that. But if that
4 search has not been made by anybody yet, well, we'll do what
5 we have to do.

6 And, let me also point something else to you. That
7 we have not just asked for the documents that you have read
8 here. Our request is any and all documents, paper files,
9 computer files, memorandums, letters, reports in writing of
10 any kind in your possession related in any way to any of the
11 following. And then we list the contracts and the documents
12 that you read.

13 So, we are not just asking for those specific
14 documents, we are asking any and all documents related in any
15 way to the documents that you mentioned, that you said you
16 have produced.

17 So, we back our request, and I find it very, very
18 disingenuous, I think, to come here and say that all the
19 documents related in any way to this controversy of several
20 millions of dollars, have been produced in that stack of
21 papers that we discussed, that we saw yesterday which was
22 about 20 inches tall.

23 But if you are telling me that that's all the

1 documents that respond to this Exhibit A, to this Notice of
2 Deposition and the accompanying subpoena that was served,
3 then go ahead and state it on the record, because I happen to
4 believe that there are more documents.

5 Let me make a copy of this, and attach it to the
6 deposition as... Don't mark this, this is a copy that we'll
7 have a copy made and this will be Exhibit number 11, I think
8 it is.

9 This is going to be number 8.

10 (AT WHICH TIME DEPOSITION EXHIBIT NUMBER 8 IS MARKED)

11 BY MR. CAMILO SALAS:

12 Q So, Dr. Rey, just to be sure, you don't know as we
13 sit here today if an exhaustive search of the records of this
14 Department has been made to produce all the documents that
15 are requested in this Exhibit 8, do you?

16 A The best of my understanding, Counsel, is that as
17 my Attorney has stated, a petition was asked according to the
18 requirements, and the documents concerning DRC have been
19 provided.

20 I reiterate that this request for the Executive
21 Orders, if they exist, if they are Executive Orders, that
22 doesn't mean that they are particular orders regarding
23 particular companies.

1 So, if the Orders exist, then we have examined what
2 was the format utilized in them. And as I agreed to, if they
3 exist, you'll have them at your office tomorrow.

4 Q Let me read this. Exhibit A, Item number 1, "Any
5 and all documents, paper files, computer files, memorandums,
6 letters, reports, and writings of any kind in your possession
7 related in any way to any of the following": Subparagraph A,
8 "All contracts between the Department of Education and any
9 other party pertaining to the red Edunet and/or Internet
10 access for public schools and/or the construction of the
11 infrastructure to provide Internet access for public schools
12 in Puerto Rico.

13 My question to you is, do we have here today all
14 those documents? Any and all documents related in any way
15 whatsoever to the contracts of the Department of Education
16 pertaining to the Edunet net or Internet access for public
17 schools?

18 A I reaffirm that to my knowledge and to what
19 Attorney Bennazar has stated, he has been working intensely,
20 and I am a witness to that, in the search of documents
21 together with the persons concerned in this process.

22 Q Like whom?

23 A Basically, Dr. Carmen Collazo, the Executive Aide,

1 and the offices from OSIATD, including Jose Santana as well
2 as Adonay. Everything that has to do with DRC must be there.
3 There can't be any other thing as far as I am concerned.

4 Q So, in the documents that have been produced, I
5 have everything related to DRC?

6 MR. A.J. BENNAZAR: I want to reiterate for the
7 record when I said "everything that we have found, that
8 comports to the description, we have produced". This is a
9 very large department, and has many offices, sub-offices,
10 etcetera, etcetera.

11 MR. CAMILO SALAS: I don't believe that these are
12 all the documents.

13 MR. A.J. BENNAZAR: "Te estoy diciendo que todo lo
14 que hemos encontrado que cumpla con la requisición, se ha de
15 producir". "De eso a decir que es todo lo que hay, es otra
16 cosa."

17 I am saying that everything that we have found in a
18 good faith effort to comply with the subpoena, we have
19 produced. And will have continued to produce.

20 MR. CAMILO SALAS: Now, it's time to cut the games
21 off, I think, have you looked everywhere that should be
22 looked and who would have all the documents, yes or no?

23 You know this, I don't think that's the way the

1 Court expects us to do this, this process. We ask for
2 documents, the Department is required to---

3 MR. A.J. BENNAZAR: The Secretary.

4 MR. CAMILO SALAS: The Secretary is required to
5 nominate people to look for all---

6 MR. A.J. BENNAZAR: He's required to produce the
7 documents under his custody. Actually it doesn't even say
8 under his custody, it says in his possession. If you read
9 this, it says, "any document, paper files, etcetera, etcetera
10 in your possession." We've gone way beyond his possession.

11 MR. CAMILO SALAS: Well, I will issue another
12 subpoena---

13 MR. A.J. BENNAZAR: Gladly, and we will look at it
14 and we will try to comply with it. But we've bent over
15 backwards and gone above and beyond your request because
16 we've gone way beyond whatever documents he may have as an
17 individual who is the only defendant here, in his possession.
18 We've done a very good faith effort to produce everything
19 that has to do with DRC.

20 MR. CAMILO SALAS: So, that's how you interpreted
21 the request?

22 MR. A.J. BENNAZAR: I read English. That's what it
23 says.

1 MR. CAMILO SALAS: So, that's, you provided the
2 documents that this gentleman, Dr. Rey has as an individual
3 in his possession?

4 MR. A.J. BENNAZAR: No, it went much further. I
5 just told you the complete opposite. That we did not limit
6 ourselves to the confines of your vocabulary.

7 MR. CAMILO SALAS: Well, I want to remind you that
8 the Court has already found either you, or you find in
9 contempt on several occasions for non compliance with
10 discovery requests.

11 And by playing this little game, you are just
12 forcing us to bring the matter to the Court's attention again
13 and again and again.

14 It seems to me that the best approach is to send
15 the people, look for the documents and give them to us.
16 That's the way it's usually done. If you are just being
17 recalcitrant, you don't want to give us the documents, we'll
18 bring it to the Court's attention, I guarantee you. And we'll
19 come back and continue the deposition when we get the
20 documents. It doesn't have to be that hard.

21 So, having said that, sir, would you be willing to
22 designate the appropriate people to look for the documents
23 that we have requested? Have somebody search through the

1 records at your department and see what records they can come
2 up with.

3 I'd be delighted to give and your department some
4 time to respond. So that I don't have to go and ask the
5 judge for sanctions and for orders and things of that nature.

6 BY MR. CAMILO SALAS:

7 A (DEPONENT) At all times, Counsel, that has been our
8 intention, to cooperate. And we have given instructions in
9 that sense to our attorney as well as to Dr. Collazo, Carmen
10 Collazo.

11 And obviously, my receiving and my being in
12 agreement to comply totally with the requirements of the
13 Court have been evidenced. And we have so informed our
14 attorney.

15 Q So, these are all the documents that respond to the
16 request for production of documents?

17 A To the my best knowledge it has. Of course,
18 according to the best of my understanding and the
19 investigation I have requested and that has been led by
20 Attorney Bennazar and my personnel.

21 I want to be emphatic that according to my personal
22 knowledge, I have observed the hard work that has been done,
23 as already told by Counsel. Out of working hours and during

1 weekends, there has been intensive work in order to comply
2 with the requirements of the Court and of the orders.

3 Q You are the custodian of the documents of the
4 Department of Education, are you not?

5 A I am the Secretary, I am obviously the custodian of
6 the whole Department. I am the custodian of 610,000
7 students, I am the custodian of 72,000 employees, I am the
8 custodian of 15,038 schools. I am custodian of the largest
9 organization or department of the Commonwealth of Puerto
10 Rico. And I direct an organization that is 7 times larger
11 than Banco Popular, and has 27,000 more employees than Price
12 Waterhouse.

13 Q Who is then the person who's designated under you
14 who would know about where the files are, pertaining to DRC
15 that in any way relate to DRC?

16 A Jose Santana knows about those documents, Engineer
17 Carlos Vidal who is the Head of OSIATD knows about them.
18 Adonay does, and certainly Dr. Carmen Collazo. And
19 undoubtedly, I think at this stage of the game, Attorney
20 Bennazar must know indeed where they are.

21 Q Let's clarify the point that I was trying to
22 clarify before we got into this discussion. If I understood
23 it correctly, you were telling me that your department

1 referred this matter to the Fiscal General or the Fiscal
2 Especial, somebody, because the folks at the FCC requested
3 you to do that during an October 1, 2002 meeting?

4 A There was a request on that 1st of October of the
5 year 2002, and there were several petitions from prosecutors,
6 Special Prosecutors, Comptroller, Senate and House
7 commissions at different times during that year of 2002. And
8 those petitions are still coming in of different sources, not
9 of DRC but of other companies.

10 Q Is Pedro Goyco the Fiscal General?

11 A To my best understanding.

12 Q Yes?

13 A Yes.

14 Q In your letter of January 30th, 2003 to Jane Mago,
15 you indicated that ---

16 MR. A.J. BENNAZAR: "¿Qué página, Camilo?"

17 MR. CAMILO SALAS: Page 5, bottom paragraph.

18 BY MR. CAMILO SALAS:

19 Q It states "recognizing that any possible abuse of
20 misconduct should be thoroughly investigated, our
21 administration has provided documents in our initial findings
22 to three agencies of the Government of Puerto Rico to with...
23 And then if you jump down to number 3, it says "The

1 Department of Justice of the Commonwealth of Puerto Rico
2 through the office of their Chief Commonwealth Prosecutor,
3 Fiscal General, the Honorable Pedro Gerónimo Goyco Amador who
4 has initiated an investigation at the request of the PR DOE
5 on the services provided by the former vendor whose contract
6 we canceled".

7 Now, am I not reading that right? That it says
8 that the Puerto Rico Department of Education requested that
9 the Fiscal General initiate an investigation of this former
10 vendor whose contract was canceled.

11 A Correct.

12 Q The other question is, do you know when the
13 Department first asked Pedro Gerónimo Goyco to do an
14 investigation?

15 A Counsel, my best recollection about this has to do
16 with October, the letter of October of 2002, regarding,
17 obviously, to Pedro Gerónimo Goyco about the USAC and E-Rate
18 transactions. That is obviously my understanding of this.

19 That same letter mentions the Blue Ribbon Committee
20 where they request to us for documents related to the E-Rate
21 funds where undoubtedly DRC is involved. And it also makes
22 mentions the communication delivered on February 25th, 2002,
23 to the Office of the Independent Special Prosecutor. It

1 similarly speaks of the request of March of 2002, from the
2 Government Ethics Commission regarding the status of E-Rate.

3 I call to your attention that all, all, all are
4 subsequent to the cancellation of the Contract with DRC.

5 Q On February 25th, 2002, the Department of Education
6 sent to the Office of the Special Independent Prosecutor,
7 invoices by DRC?

8 A It says here "Invoices in Favor of the DRC
9 Corporation", correct.

10 Q And, why were those documents sent? Who requested
11 them or were they sent voluntarily?

12 A I don't recall. I don't know.

13 Q Then, here it talks about Exhibit B. Would you be
14 kind enough to provide that to us?

15 A I you don't have it, I'd gladly will.

16 Q Let me show you this letter dated September 6, 2002
17 that you sent to Lourdes Diaz Valcárcel.

18 (AT WHICH TIME DEPOSITION EXHIBIT NUMBER 9 IS MARKED)
19 BY MR. CAMILO SALAS:

20 Q Who wrote that letter for you?

21 A I can not tell you exactly. It could be either the
22 Internal Audits Office, it is the office dealing directly
23 with matters regarding the Comptroller or else the Legal

1 Counsel's Office. Most probably the draft came from the
2 Office of Internal Audits.

3 Q This letter says that it was recommended that the
4 federal authorities don't pay DRC's invoices, true?

5 A That's what it says.

6 Q Did you make that decision?

7 A That was the result of the advice, and of course,
8 as it says here, "unless it is evidenced that the services
9 had been rendered" and to the satisfaction of the Department.
10 And of course, that is what we have been deciding here these
11 past two days.

12 Q How was the recommendation made to the federal
13 authorities?

14 A I do not recall, Counsel.

15 Q Did you do it yourself or...?

16 A I don't know, I don't recall.

17 Q And, then further at the bottom it says "In
18 addition, the Legal Division of the Department of Education
19 sent to the Department of Justice of Puerto Rico all the
20 facts and documents related to the use of E-Rate funds for
21 its investigation"?

22 A Correct, that is in agreement with the letter to
23 Pedro Gerónimo Goyco on October 3, 2002.

1 Q Are you aware of the fact that the Department of
2 Education had hired a company named Software Designs School
3 Cabling, a consulting company, to ensure that the
4 installation of T1 lines in the schools were appropriately
5 completed?

6 A I don't know the details regarding that, Counsel.

7 MR. A.J. BENNAZAR: "¿Ese es el informe Arthur
8 Andersen?"

9 MR. CAMILO SALAS: This is the Appendix B to the
10 Arthur Andersen.

11 BY MR. CAMILO SALAS:

12 Q Did you go to Washington for any of the meetings
13 with the USAC people?

14 A Yeah.

15 Q Did you go to the first meeting?

16 A I don't recall if I went to the first meeting. I
17 met with Jane Mago on October 2002, right. And in January
18 2003 we had a meeting.

19 Q Your first meeting was in October, when you had
20 said that you attended?

21 A "La vez pasada, en el pasado tal vez."

22 Q In the meeting of October 26th, 2002---

23 MR. A.J. BENNAZAR: September 27th.

1 MR. CAMILO SALAS: April 26th, 2002.

2 MR. A.J. BENNAZAR: Oh, April 26th, okay.

3 BY MR. CAMILO SALAS:

4 Q Which was attended by Dr. Carmen Collazo, Anibal
5 Cruz, Arnaldo Ramos, and Juan Antonio Bennazar. You got a
6 copy of the Report? Did you read that Report at the meeting?

7 A I don't remember.

8 Q And you didn't go to the January 15th, 2002
9 meeting, the first one?

10 A I don't recall. I don't think so. Regarding FCC
11 and USAC, as I recall, I have been only twice there, right?
12 As I recall.

13 Q You have been only what?

14 A Only twice.

15 Q Twice?

16 A Yes.

17 Q Now, based on the presentation that the people who
18 went on April 26th, 2002, and the documents related to that,
19 we understand that a copy of an indictment was sent to USAC.
20 Do you know what copy?

21 MR. A.J. BENNAZAR: "¿En qué página tú estás Camilo,
22 perdona, para poderte seguir?"

23 MR. CAMILO SALAS: Exhibit 4, page 2.

1 MR. A.J. BENNAZAR: Exhibit 4, page 2.

2 BY MR. CAMILO SALAS:

3 Q So, the question is, which indictment was given to
4 these folks?

5 A I don't know, sir.

6 Q Do you know why was a copy of an indictment given
7 to them?

8 A Not at all.

9 Q Why did the copy of indictment have to do with DRC?

10 A I don't know. I even doubt that that term is used
11 correctly there.

12 Q What, copy of indictment?

13 A Uh-huh.

14 Q How so?

15 A It seems to me, but I don't know. It just seems to
16 me that "indictment" makes no sense in that context.

17 Q I agree with you there, but...

18 A When you have a technician that pretends to be an
19 attorney, you are in danger.

20 Q I understood from other testimonies that a copy of
21 the indictments of which Governor Calderon was speaking on
22 January 24th, 2002 had been given to these people at the
23 FCC, and I was wondering why was that been sent up there.

1 A I don't know, honestly.

2 Q I think that the word used, probably it shouldn't
3 had been used, I think. Maybe the indictment should had been
4 sent up there. We can chat about that over a glass of wine.

5 A Some other time, right.

6 Q Once the Department canceled the contracts of DRC,
7 he gave the work to the Puerto Rico Telephone Company, true?

8 A Correct.

9 Q Then a year later, the Department didn't pay Puerto
10 Rico Telephone Company, true?

11 A That we didn't pay the Puerto Rico Telephone
12 Company? No, the nature, the way that happened is different.
13 It is a disagreement, the invoices which is of no concern of
14 this matter.

15 Q Puerto Rico Telephone Company sued the Department
16 of Education just a few months ago because they had not been
17 paid allegedly some 31 million dollars---

18 A Sure.

19 Q ---for providing Internet services to the schools.

20 A That is an allegation that is in Court, that is
21 obviously sub-judice.

22 Q Did the Department of Education pay Puerto Rico
23 Telephone Company for providing Internet services to the

1 schools?

2 A We have complied with what we understand is the
3 reason ability of the invoice.

4 Q What does that mean?

5 A According to our attorneys we are paying.

6 Q According to your attorneys you have paid them?

7 A We are paying.

8 Q You are paying? You mean currently paying, making
9 payments?

10 A Yes, indeed.

11 Q You are paying partly for services that were
12 provided in times past?

13 A That's right.

14 Q Was Puerto Rico Telephone Company paid by USAC?

15 A I don't know.

16 Q So, what you are paying is just a share of the
17 Department of Education's?

18 A Our part.

19 Q Oh, your part?

20 A Our part. Remember that the Puerto Rico Telephone
21 Company shares two types of invoices, for telephone and what
22 is Internet, Puerto Rico Telephone Internet. They are two
23 different things.

1 In terms of service as to both, they are debts that
2 have been depending for many, many years. They go back many
3 years. And there is litigation regarding that, and I do not
4 believe it's ethical to bring it out now.

5 Q Was the Contract given to Puerto Rico Telephone
6 Company for Internet services also canceled?

7 A When?

8 Q The last time they provided Internet services.

9 A I don't understand the question.

10 Q Puerto Rico Telephone Company is no longer
11 providing Internet Services to the---

12 A Not at this moment.

13 Q And the last time that it did, it stopped doing it
14 because you canceled their contract or what?

15 A The best of my understanding is that they canceled
16 the service.

17 Q Why did they do that, non payment?

18 A Because they understand that there is invoice that
19 has not been paid under their terms.

20 Q And then the Department hired Centennial to do the
21 Internet services?

22 A No, not that I know of.

23 Q Who's providing Internet services now?

1 A By "telefonía", we are dialing the dialog type of
2 system to connect to the Internet. As I understand it, this
3 is perhaps too technical for my taste.

4 Q There is a report here in El Nuevo Dia dated
5 February 20th, 2003. Let me read the first paragraph. Can
6 you tell me if this is true or not?

7 El Departamento de Educación le otorgó a Centennial
8 Communications un contrato de 34.4 millones para que la
9 empresa le provea servicios de telecomunicaciones e Internet
10 a más de 1,500 escuelas públicas del país."

11 A They were the best bidders in a bid. And the
12 Telefónica challenged that. And to the best of my
13 understanding that is still undergoing public hearings and
14 administrative investigations. And obviously Centennial has
15 still not executed a contract, that is a News reading of the
16 matter.

17 Q And then here is a newspaper, The San Juan
18 Star dated May 27th, 2003 with a picture there. And it says
19 "90 million in frozen federal funds may be released soon".
20 Remember that?

21 A That is correct. A newspaper optimism. And I
22 suppose a lot of people were very attentive, paying attention
23 to that.

1 Q It says here that you had been in Washington the
2 prior week and you met with U.S. Department officials and
3 lawmakers including Ted Kennedy and John Boehner, true?

4 A (No verbal answer is heard)

5 Q And what was the purpose of that meeting?

6 A That was regarding all the funds of the Department
7 of Education. There the reporter mixes two different visits,
8 one I did to the FCC and another visit in order to obtain the
9 release of funds. John Boehner and Ted Kennedy worked for
10 the disbursement of the 900 million dollars.

11 Q Who is paying for the expenses of providing
12 Internet services now that the federal funds have been
13 frozen?

14 A We are subsidizing that operation with state funds.

15 Q In other words, you are using state funds to pay
16 your contractors and vendors?

17 A That's right.

18 Q Is any particular reason why the people who are
19 owed money from before the federal funds were frozen, why
20 they have not been paid with state funds?

21 A I don't know.

22 Q Just to finish. You indicated that if there are
23 Orders from Governor Calderon in your files, we'll get them

1 tomorrow?

2 A Yes, I promised that.

3 MR. CAMILO SALAS: Before we take additional
4 action, I want to ask Counselor, are you going to produce
5 more documents or is this it, all that you are going to
6 produce?

7 MR. A.J. BENNAZAR: I will be delighted to oblige
8 brother Counsel and make an additional final request for any
9 additional documents with Dr. Collazo, with the Legal
10 Division and with Internal Audits.

11 And I will also look for that Exhibit B of the
12 October 3rd, letter. And I will try to find out what are
13 those invoices that appear to have been sent to the Fiscal
14 Especial Independiente which I've never seen, but we will
15 certainly make the effort and try to produce them.

16 MR. CAMILO SALAS: Let me just make clear so that we
17 don't misunderstand it. I want any and all documents---

18 MR. A.J. BENNAZAR: That have to do with---

19 MR. CAMILO SALAS: ---that the Department has that
20 have to do with this matter.

21 MR. A.J. BENNAZAR: "Sí, sí", we understand you.

22 MR. CAMILO SALAS: And I'll expect that there will
23 be boxes and boxes of documents.

1 BY MR. CAMILO SALAS:

2 A (DEPONENT) Whatever has to do with DRC, our
3 agreement is to produce it and obviously to hand it to you.

4 MR. A.J. BENNAZAR: We will look again, if there is
5 anything and everything we find, we have no objection to
6 producing it, and we will produce as we have been doing all
7 along.

8 MR. CAMILO SALAS: Can we put some time for that
9 production since we are nearing the period of discovery.

10 MR. A.J. BENNAZAR: The discovery quota is November
11 26th, right.

12 MR. CAMILO SALAS: 25th or 26th so, that's basically
13 about 50 days or less than that.

14 MR. A.J. BENNAZAR: "Antes de que llegue la
15 estadidad, Camilo, te lo prometo".

16 MR. CAMILO SALAS: "No el día antes". Okay thank
17 you.

18 Whereupon,

19 **CROSS EXAMINATION**

20 BY MS. JUDITH TORRES DE JESUS:

21 Q Dr. Rey, I'd like to ask just two questions, so it
22 won't take long. During yesterday and today you testified
23 that on the advice of your legal and technical advisors, you

1 decided to cancel DRC's contract, is that correct?

2 A That is correct.

3 Q And based on your testimony then, we believe that
4 you would be the final decision authority to cancel the DRC
5 contract?

6 A Undoubtedly, and I assume all responsibility.

7 MS. JUDITH TORRES DE JESUS: I have no further
8 questions.

9 (AT WHICH TIME THE IMMEDIATE PROCEEDINGS HAVE CONCLUDED)

10 -----

11 DEPONENT'S CERTIFICATE

12

13 I, Cesar Rey, hereby () accept () do not accept as
14 correct the transcript of my deposition as prepared and
15 transcribed by Compugrafía, Inc., taken in the date and time
16 hereby indicated in the case of caption.

17

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Cesar Rey

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Please use the Errata Sheet at the end of the transcript for

1 corrections related to this deposition.
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10 REPORTER'S CERTIFICATE
11

12 I, Casey Hayes, E.R. Reporter, member of
13 Compugrafía, Inc., hereby certify:

14 That the foregoing transcript is a faithful
15 representation of the notes and recording taken by me in the
16 hereby indicated case of caption.

17 I also certify that I have no relation by blood or
18 marriage to the parties involved in this case and that I am
19 not interested in the outcome of the same.

20 Signed on November 24, in San Juan, Puerto Rico.
21
22
23

Casey Hayes

CERTIFICATE OF NOTARY PUBLIC

I, Judith Torres de Jesus, Attorney at Law and
Notary Public, duly commissioned and qualified in and for the
Commonwealth of Puerto Rico, do hereby certify:

That the foregoing deposition was taken on the
date heretofore mentioned; October 7, 2003.

That the Court Reporter, the Deponent and the Court
Interpreter were sworn by me before the commencement of the
taking of the testimony.

In witness whereof I sign the present and
affix my notarial seal in San Juan, Puerto Rico, on

1 , 200_.

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5 Judith Torres de Jesus, Esq.

6 Notary Public
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12 ERRATA SHEET

13 (Specify page and line)

14 1. How it reads: _____

15 How it should read: _____

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